

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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TROPICAL PRODUCTS: GUIDE FOR MULTILATERAL CONSULTATIONS

Tropical Beverage Items (Coffee, Tea and Cocoa)

Note by the Secretariat

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This document may be used in conjunction with the above documents and general proposals made for negotiations on tropical products. See the above documents for the explanation of symbols used in this document.

1. CoffeeA. An overview of the tariff situation (see Table 1 for details)

- (a) Coffee, not roasted (HS 0901.11 and 12)
- | | |
|------------------|-------------------------|
| MFN 0%B | USA,CAN,JPN,NOR,SWE,NZL |
| GSP 0% | AUT,AUS |
| MFN/GSP dutiable | EEC,FIN,CHE |
- (b) Coffee, roasted (0901.21 and 22)
- | | |
|------------------|-------------------------|
| MFN 0%B | USA,SWD |
| GSP 0% | CAN,NOR,AUS |
| MFN/GSP dutiable | JPN,EEC,AUT,FIN,CHE,NZL |
- (c) Coffee extracts and preparations (2101.10)
- | | |
|------------------|---|
| MFN 0% | USA (instant coffee 0%U, other extracts or essences 0%B),SWE |
| GSP 0% | USA (coffee, preparations),JPN (unsugared extracts and essences, other than instant coffee),CAN,FIN,NOR |
| MFN/GSP dutiable | JPN,EEC,AUT,CHE,AUS,NZL |

B. Major suppliers¹ (see MTN.GNG/NG6/W/2/Add.1/Rev.1 for details)

- (a) Coffee, not roasted
- EEC (BRA,COL,CIV,UGA),AUT (BRA,COL,SLV),FIN (COL,BRA),CHE (BRA,COL,GTM,CRI),AUS (PNG,IDN,USA,IND,CIV,MYS,BRA)
- (b) Coffee, roasted
- CAN (USA,MEX),JPN (EEC,USA,BRZ),EEC (MDG,CMR,CHE,SWE), AUT(CMR), FIN (EEC),NOR (EEC,SWE),CHE (EEC),AUS (EEC),NZL (AUS,EEC)
- (c) Coffee extracts and preparations
- USA (instant coffee - BRA, coffee preparations - n.a.),CAN (USA,EEC,BRA),JPN (BRA,EEC,COL,USA),EEC (BRA,CIV,COL), AUT (CHE,BRA,EEC),FIN (EEC,CHE,BRA),NOR (CHE,EEC,BRA),CHE (EEC,COL,BRA), AUS (EEC,BRA),NZL (POL,EEC,AUS)

¹The name of the market is followed by major suppliers thereto indicated in parenthesis. Markets which have granted bound duty-free treatment on an m.f.n. basis are not included in this section.

C. Countries having submitted indicative lists (and countries to which indicative lists have been addressed, if specified)

n.s. = not specified

	Coffee, not roasted:	
0901.11	- not decaffeinated	CIV (AUS,FIN,JPN,CHE), ASEAN (AUS,EEC), BRA (n.s.), PER (AUS,AUT,CAN,EEC,CHE)
0901.12	- decaffeinated	CIV (FIN,CHE)
	Coffee, roasted:	
0901.21	- not decaffeinated	CIV (AUT,FIN,JPN,NZL,CHE)
0901.22	- decaffeinated	CIV (AUT,FIN,JPN,NZL,CHE)
0901.30	Husks and skins	CIV (FIN,CHE)
2101.10	Extracts, essences and concentrates; coffee preparations	AUS (n.s.),CIV (AUS,AUT,JPN,NZL,USA) ASEAN (USA),BRA (n.s.)

Table 1
Coffee and Processed Coffee

Sveden OX (all items)

H.S. Code No. (CCCN)	Harmonized commodity description		United States	Canada	Japan	EEC	Austria	Finland	Norway	Switzerland	Australia	New Zealand
0901.11 (0901)	Coffee: Coffee, not roasted: - not decaffeinated	MFN	OZB	OZB	OZB	5ZB	12ZB	3.8ZB	OZB	Sw F 0.50/kg.B	2ZU	OZB
		GSP				4.5Z ^a	OZ	-		-	OZ	
0901.12 (0901)	- decaffeinated	MFN	OZB	OZB	OZB	13ZB	12ZB	3.8ZB	OZB	Sw F 0.76/kg.B	2ZU	OZB
		GSP				8.5Z ^a	OZ	-		Sw F 0.63/kg.	OZ	
0901.21 (0901)	Coffee, roasted: - not decaffeinated	MFN	OZB	4.41€/kg.B	20ZB	15ZB	15ZB ₄ 19.5ZB ₄	16ZB	NOK 0.50/kg.B	Sw F 0.90/kg.B	2ZU	25ZB
		GSP		OZ	-	11.5Z ^a	12Z ₄ 15.6Z ₄	-	OZ	Sw F 0.63/kg.	OZ	10Z
0901.22 (0901)	- decaffeinated	MFN	OZB	4.41€/kg.B	20ZB	18ZB	15ZB ₄ 19.5ZB ₄	16ZB	NOK 0.50/kg.B	Sw F 0.90/kg.B	2ZU	25ZB
		GSP		OZ	-	12.5Z ^a	12Z ₄ 15.6Z ₄	-	OZ	Sw F 0.63/kg.	OZ	10Z
ex2101.10 (2102)	Extracts, essences and concentrates of coffee	MFN	OZP ¹	15.43€/kg.U	2/	18ZB	12ZB ₅ 15.6ZB ₅ 6/	9ZB	NOK 0.20/kg.B	Sw F 2.60/kg.B	50.66/kg.B	30ZU ⁹
		GSP		OZ	2/	9Z ^{3/}	6Z 7.8Z ⁵	OZ	OZ	Sw F 1.70/kg.	50.66/kg.B less 5%	24Z
ex2101.10 (2102)	Preparations with a basis of these extracts, essences and concentrates or with a basis of coffee	MFN	10ZB	15.43€/kg.U	2/	18ZB	524.5/kg.U (16.8Z) 7/	9ZB	15ZB	Sw F 2.60/kg.B	As above	30ZU ⁹
		GSP	OZ	OZ	2/	-	512/kg. (8.2Z) 7/	OZ	OZ	Sw F 1.70/kg.	As above	24Z ¹⁰

Footnotes to Table 1

¹Duty-free treatment has not been bound for soluble or instant coffee, containing no mixture.

² (a) Extracts, essences and concentrates of coffee and preparations with a basis of these extracts, essences and concentrates:

(1) with added sugar - 30%B, 24%A, GSP 15%

(2) Other:

(a) instant coffee 17.5%B, 14%A*,

(b) Other - 25%B, 16%A*, GSP 0%

(b) Preparations with a basis of coffee:

(1) with added sugar

(a) with sugar less than one-half in weight:

(i) with sugar being the most important ingredient - 35%B, 28%A

(ii) Other - 35%U, 28%A

(b) Other - 35%B

(2) Other - 25%U

³Within a Community tariff quota of 19,200 tonnes for soluble coffee in 1987 (see EC Official Journal L373, page 130 for details). Different rates apply to GSP imports into Portugal and Spain. There is no quota limitation for GSP imports of essences and concentrates of coffee.

⁴In immediate packings of a content of 5 kg. or less

⁵Solid coffee extracts in immediate packings with a content of 1 kg. or less.

⁶Liquid coffee extracts; essences and concentrates of coffee \$24.5/Kg.U, GSP \$12/Kg. .

⁷Preparations with a basis of coffee 32%, minimum \$3/Kg U, no GSP.

⁸These GSP rates are not applicable to Brazil,

⁹Bound at 35 per cent.

¹⁰"Coffee pastes" consisting of mixtures of ground, roasted coffee, with vegetable fats and sometimes other ingredients.

2. Black Tea

1. An overview of the tariff situation (see Table 2 for details)

(a) In bulk (0902.40)

MFN OZB	USA, EEC, AUT, FIN, NOR, SWE, CHE, AUS, NZL
MFN OZA	CAN
MFN/GSP dutiable	JPN

(b) In packings of a content not exceeding 3 kg.

MFN OZB	USA, FIN, NOR, SWE, CHE, AUS
MFN OZA/U	CAN, NZL
GSP OZ	EEC, AUT
MFN/GSP dutiable	JPN

(c) Tea extracts and essences

MFN OZB	USA, FIN, NOR, SWE
MFN OZA/U	CAN, NZL
GSP OZ	EEC, AUT, CHE, AUS
MFN/GSP dutiable	JPN

(d) Tea preparations

MFN OZB	FIN, SWE
MFN OZA/U	CAN, NZL (part)
GSP OZ	USA, EEC, AUT (part), NOR, CHE, AUS
MFN/GSP dutiable	JPN, AUT (preparations with a basis of tea), NZL (preparations of a mixture of tea, milk powder and sugar)

2. Major suppliers

(a) In bulk

CAN (EEC, LKA), JPN (LKA, SGP, IND, EEC)

(b) In packings of a content not exceeding 3 kg.

CAN (EEC, LKA), JPN (EEC, USA, IND, LKA), EEC (CHN, LKA), AUT (EEC, LKA), NZL (EEC, LKA)

(c) Tea extracts of essences; tea preparations

USA (n.a.), JPN (LKA, USA, IND), EEC (LKA, IND, USA), AUT (IND, USA), NOR (EEC, SWE), CHE (USA, AUT, IND), AUS (POL, EEC, IDN), NZL (EEC, LKA)

C. Countries having submitted indicative lists (and countries to which indicative lists have been addressed, if specified)

n.s. = not specified

0902.40	Black tea: - in bulk	
0902.30	- in packings not exceeding 3 kg.	ASEAN (JPN,USA)
2101.20	Extracts, essences and concentrates; preparations	AUS (n.s.)

Table 2
Tea and Processed Tea

Finland and Sweden O2B (all items)

H.S. Code No. (CCCN)	Harmonized commodity description		United States	Canada	Japan	EEC	Austria	Norway	Switzerland	Australia	New Zealand
0902.40 (0902)	Black tea (fermented) and partly fermented tea in immediate packings of a content exceeding 3 kg.	MFN	O2B	13.232/ kg.B O2A	52A, 1/	O2B	O2B	O2B	O2B	O2B	O2B
		GSP			2.52 Black tea						
0902.30 (0902)	Black tea (fermented) and other partly fermented tea in immediate packings of a content not exceeding 3 kg.	MFN	O2B	13.232/ kg.B O2A	202B	52B	102B	O2B	O2B	O2B	O2*U ⁴
		GSP			142 Black tea	O2	O2				
2101.20 (2102)	Extracts, essences and concentrates of tea	MFN	O2B	13.232/ kg.B O2A	2/	122B	242B	O2B	Sw F 2.70/ kg.B	22U	O2*U ⁵
		GSP			2/	O2	O2		O2	O2	
(2102)	Preparations with a basis of these extracts, essences or concentrates or with a basis of tea	MFN	102B	13.232/ kg.B O2A	2/	122B	242B 3/	152B	Sw F 2.70/ kg.B	22U	O2*U ⁵ 302U ⁶
		GSP	O2		2/	O2	O2 3/	O2	O2	O2	207 ⁶

¹ Waste, unfit for beverage O2B; other than black tea 202B.

² (c) Extracts, essences and concentrates, and preparations with a basis of these extracts, essences or concentrates

(1) instant tea - 202B, 162A*, GSP B2

(2) other - 162B, 12.B2A*, GSP B2*

(b) Preparations with a basis of tea

(1) with added sugar - 352P 282A (with sugar less than one-half in weight)

(2) other - 252U

³ Preparations with a basis of tea 322 minimum 5 3/kg U, no GSP

⁴ black tea in packages of 2.26 kg. net weight or less - bound at 10 per cent.

⁵ Round at 25 per cent.

⁶ Preparations consisting of a mixture of tea, milk powder and sugar.

3. Cocoa1. An overview of the tariff situation (see Table 3 for details)

(a) Cocoa beans (1801.00)

MFN 0%B	USA,CAN,JPN,FIN (not roasted),NOR,SWE, CHE,NZL
GSP 0%	AUT,FIN (roasted),AUS
MFN/GSP dutiable	EEC

(b) Cocoa paste (1803.10 and 20)

MFN 0%B	USA (not defatted),CAN,NOR,SWE,AUS
GSP 0%	USA (defatted),AUT,FIN,CHE
MFN/GSP dutiable	JPN,EEC,NZL

(c) Cocoa butter (1804.00)

MFN 0%B	USA,CAN,NOR,AUS,NZL
GSP 0%	JPN,AUT,FIN,SWE,CHE
MFN/GSP dutiable	EEC

(d) Unsweetened cocoa powder (1805.00)

MFN 0%B	AUS
GSP 0%	USA,FIN,NOR,SWE
MFN/GSP dutiable	CAN,JPN,EEC,AUT,CHE,NZL

2. major suppliers

(a) Cocoa beans

EEC (CIV,CMR,NGA,GHA),AUT (CIV,GHA,IDN),FIN (roasted - no imports),AUS (MYS,GHA,PNG)

(b) Cocoa paste

USA (defatted - EEC,BRA,CIV),JPN (ECU,BRA,CIV),EEC (CIV,CMR),AUT (ECU,BRA),FIN (EEC),CHE (ECU,BRA),NZL (JPN,ECU,BRA)

(c) Cocoa butter

JPN (EEC,BRA,CIV,MYS),EEC (NGA,GHA,CIV,BRA),AUT (EEC),FIN (EEC),SWE (EEC),CHE (EEC)

(d) Unsweetened cocoa powder

USA (EEC,BRA,CIV),CAN (EEC,USA),JPN (EEC,USA,MYS),EEC (CIV,GHA,NGA),AUT (EEC),FIN (EEC),NOR (EEC),SWE (EEC),CHE (EEC),NZL (EEC,SGP)

C. Countries having submitted indicative lists (and countries to which indicative lists have been addressed, if specified)

n.s. = not specified

1801.00	Cocoa beans	CIV (AUS), ASEAN (EEC), BRA (n.s.), PER (EEC)
1802.00	Cocoa shells, husks, skins	CIV (AUT), BRA (n.s.), PER (EEC)
1803.10	Cocoa paste - not defatted	CIV (JPN, NZL, NOR), ASEAN (EEC, JPN), BRA (n.s.), PER (AUS, EEC, CHE)
1803.20	- wholly or partly defatted	CIV (JPN, NZL, NOR), ASEAN (EEC, JPN), BRA (n.s.), PER (EEC)
1804.00	Cocoa butter, fat and oil	CIV (AUS, NOR), ASEAN (EEC, JPN), BRA (n.s.), PER (AUS, EEC)
1805.00	Cocoa powder not not containing added sugar	CIV (AUT, CAN, JPN, NZL, SWE, CHE), ASEAN (EEC, JPN, USA), BRA (n.s.), PER (EEC)

Table 3
Cocoa and Cocoa Products

H.S. Code No. (CCCN)	Harmonized commodity description		United States	Canada	Japan	EEC	Austria	Finland	Norway	Sweden	Switzerland	Australia	New Zealand
1801.00 (1801)	Cocoa beans, whole or broken, raw or roasted	MFN	0% ^B	0% ^B	0% ^B	3% ^B	raw 4% ^B other 6% ^B	raw 0% ^B other 5% ^B	0% ^B	0% ^B	0% ^B	22% ^U	0% ^B
		GSP				-	0%	0%					0%
1802.00 (1802)	Cocoa shells, husks, skins and other cocoa waste	MFN	0% ^B	0% ^B	0% ^B	3% ^B	Sl.25/kg.U	0% ^B	0% ^B	0% ^B	Sw F 0.01/kg.U	22% ^U	0% ^B
		GSP				-	0%				0%	0%	
1803.10 (1803)	Cocoa paste, whether or not defatted: - not defatted	MFN	0% ^B	0% ^B	10% ^B	15% ^B	15% ^B	3.8% ^B	0% ^B	0% ^B	Sw F 0.40/kg.B	0% ^B	25.5% ^B
		GSP			5%	11%	0%	0%			0%		15%
1803.20 (1803)	- wholly or partly defatted	MFN	0.82¢/kg.B	0% ^B	20% ^U	15% ^B	15% ^B	3.8% ^B	0% ^B	0% ^B	Sw F 0.40/kg.B	0% ^B	25.5% ^U
		GSP	0%		10%	11%	0%	0%			0%		15%
1804.00 (1804)	Cocoa butter, fat and oil	MFN	0% ^B	0% ^B	2.5% ^U	12% ^B	5% ^B	2% ^B	0% ^B	SEK 0.1/kg.B	Sw F 0.025/kg.B	0% ^B	0% ^B
		GSP			0%	8% ¹	0%	0%		0%	0%		
1805.00 (1805)	Cocoa powder not containing added sugar or other sweetening matter	MFN	0.82¢/kg.B	10% ^B	21.5% ^B	16% ^B	27% ^B	10% ^B	NOK 0.40/kg.B	SEK 0.1/kg.B	Sw F 0.28/kg.B	0% ^B	25.5% ^U
		GSP	0%	5%	15%	9%	7%	0%	0%	0%	Sw F 0.14/kg.		15%

¹EEC quota limitation on GSP application was removed in 1987

4. Non-tariff measures

Table 4

Selective Internal Taxes
(rates and ad valorem incidences)

Note: Ad valorem incidences indicated in parentheses are, unless otherwise indicated in footnotes, based on average unit values of imports of the country concerned in 1985. In the case of EEC member countries, imports from outside the EEC have been used wherever available. Actual incidences as of early 1987 are higher than those indicated in this table due to lower prices of tropical beverage items.

<u>Coffee</u>	Belgium/ Luxembourg BF per kg.	Denmark DKr per kg.	F.R. Germany DM per kg.	Italy Lit per kg.	Japan
Not roasted: regular decaf.	8(5.7%) 8(5.1%)	4.35 (15.1%) 4.35 (10.3%)	3.60(40.9%) 3.80(36.2%)	500 (9.0%) 525 (6.5%)	5% 5%
Roasted: regular decaf.	10(6.3%) 10(4.2%)	5.22 ² (14.5%) ₃ 5.22 ² (9.9%) ₃	4.30(27.0%) ₃ 4.55(22.9%) ₃	625 (9.8%) 656.25 (5.7%)	5% 5%
Extracts: regular decaf.	28(9.8%)	13.05 (10.3%)	9.35(55.7%) 9.90(n.a.)	1,500 (5.2%) 1,575 (n.a.)	5% 5%
<u>Tea</u>		Denmark DKr per kg.	F.R. Germany DM per kg.	France F per kg.	
Bulk		5 (17.1%)	4.15(49.4%) ₄ (71.8%)	0.23 (0.8%)	
In small packages (3 kg. or less)		5 (8.4%)	4.15(34.3%)	0.23 (0.4%)	
Extracts		12.5 (5.7%)	10.40(50.5%)	0.828 (4.0%)	
<u>Cocoa</u>	Norway NOK per kg.	Denmark DKr per kg	France F per kg.	Italy Lit per kg.	Japan
Beans		18.75 ⁵ (88.4%)	0.07 (0.3%)	180 ⁷ (3.9%)	
Paste	9.40 ⁵ (32.2%)	12.50 ⁶ (64.8%) ³	0.085(0.4%)	225 (7.0%)	
Butter	9.40 ⁵ (20.7%)	12.50 ⁶ (27.8%)	0.085(0.2%)	280 (3.0%)	
Unsweetened powder		12.50 ⁶ (152.4%)	0.085(0.6%)	170 ⁸ 225 (5-6%)	5%

¹ Incidence of imports from all sources in 1986.

² Reduced from Dkr 5.40 per kg. on 1 April 1986

³ In 1985 there were no imports from outside the EEC. These incidences are based on imports from EEC members.

⁴ Incidence based on the average London price of tea (source: IMF)

⁵ The tax rate was NOK 7/kg on 1 April 1981 (cf.COM.TD/W/329/Rev.1). According to the delegation of Norway, it was changed as follows in recent years: 1 April 1985 NOK 8.50/kg., 1 April 1986 NOR 9.10/kg., 1 April 1987 NOK 9.40/kg.

⁶ Increased to this level on 1 April 1986. The tax rate on cocoa products recorded in COM.TD/W/329/Rev.1 was DKr 6 per kg.

⁷ The rate of tax on unroasted cocoa beans. The rates on roasted beans are Lit 200/kg. and Lit 225/kg. on uncrushed and crushed roasted beans, respectively

⁸ Cocoa powder containing less than 1 per cent of cocoa butter.

5. Product-specific proposals and indicative offers

- USA - proposed the elimination of all support and protective measures on an agreed priority list of tropical agricultural products on an expedited basis, i.e. a period shorter than the ten-year period envisaged in the United States proposal on agriculture (MTN.GNG/NG6/W/17).
- EEC - proposed the following orientation with respect to industrial tropical products which include coffee, tea, cocoa and their products whose value is made up of a preponderant percentage of tropical raw materials:
- (i) elimination of duties for industrial tropical raw materials;
 - (ii) elimination or significant reduction of duties for industrial tropical semi-processed products;
 - (iii) reduction up to 50 per cent of existing duties for finished industrial tropical products.
- proposed the gradual reduction or elimination of consumption taxes maintained by its member States on coffee, tea and cocoa affecting trade in these products (MTN.GNG/NG6/W/13 and NG6/LT/3).

Code H.S. No.	Harmonized commodity description	MFN	present situation		offer GSP II
			GSP I	GSP II	
<u>Coffee and Processed Coffee</u>					
0901	Coffee:				
0901.11	Coffee, not roasted: - not decaffeinated	12%B	0%	0%	
0901.12	- decaffeinated	12%B	0%	0%	
0901.21	Coffee, roasted: - not decaffeinated: A - in immediate packings with a content of 5 kg or less B - other	19.5%B 15%B	15.6% 12%	0% 0%	7.8% 6%
0901.22	- decaffeinated: A - in immediate packings with a content of 5 kg or less B - other	19.5%B 15%B	15.6% 12%	0% 0%	7.8% 6%
ex 2101.10	- Extracts, essences and concentrates of coffee: B 1 - extracts of coffee, solid: a - in immediate packings with a content of 1 kg or less b - other ex B 2 - extracts and concentrates of coffee	15.6%B 12%B S24.5/kgU	7.8% 6% S12/kg	0% 0% 0%	5.2% 4% S9/kg
	- Preparations with a basis of these extracts, essences and concentrates or with a basis of coffee: A - preparations with a basis of coffee *) 32% min. S3/kgU		-	-	
	ex B - preparations with a basis of these extracts, essences and concentrates S24.5/kgU		S12/kg	0%	S9/kg
<u>Cocoa and Cocoa Products</u>					
1805.00	Cocoa powder not containing added sugar or other sweetening matter	27%B	7%	7%	0%